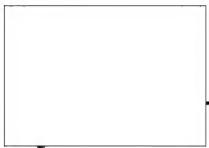
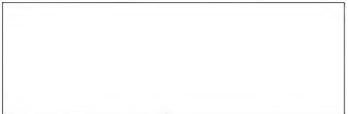
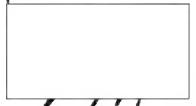


Sid
Sue
N.Y.

STAT



Please
file



15/28/63

STAT

STAT

Page Denied

UNITED STATES CIVIL SERVICE COMMISSION
BUREAU OF RETIREMENT AND INSURANCE
WASHINGTON 25, D.C.

March 22, 1963

STAT

President
Government Employees Health
Association, Inc.
Post Office Box 463
Washington, D. C.

STAT

Dear [redacted]

Regulations promulgated by the Civil Service Commission under authority of the Federal Employees Health Benefits Act of 1959 contain the following:

"89.12 Minimum standards for health benefits carriers.

A health benefits plan will not be approved by the Commission unless the carrier of the plan meets, in addition to the requirements of the Federal Employees Health Benefits Act of 1959, the following requirements:

* * * *

(e) It must agree not to advertise a plan approved under the Federal Employees Health Benefits Program, to employees, or solicit enrollment of employees in a plan approved under the Program, other than in accordance with the instructions of the Commission."

This regulation was adopted to assure that each Federal employee have a free and informed choice in the selection of a health benefits plan; that his selection is made without regard to "sales" talk or "pressure," and that his enrollment is based on which plan, as factually described in the brochures prepared jointly by the Civil Service Commission and the carriers, best meet his particular medical care needs and those of his family.

By specific contract provision, each carrier has agreed to abide by this regulation. Most carriers have observed scrupulously not only the letter, but also the spirit of fair play intended by the regulation, contract provisions and our instructions.

In a few instances, however, carriers have evidenced a lack of acceptance of the "no advertising--no soliciting" policy of the Commission, and have strayed off the reservation. Incidents have ranged from technical violations of the letter of the instructions to flagrant violations of both letter and spirit. Straying carriers have been brought back on course, and corrective actions taken, but this usually occurs after the carrier's solicitation pitch has reached at least a part of its intended audience.

A very few carriers have apparently adopted a deliberate policy of skirting as close to the violation line as possible without incurring the direct intervention of the Commission. When charged with specific violations, the carriers' responses have been along the lines of one or more of the following: (a) "the Commission's instructions are not clear," (b) "other carriers have also transgressed," (c) "this was done in the field without inspiration from headquarters," (d) "we didn't know you would consider this a violation," or (e) "this publication is merely an explanation intended to help our present members understand the plan."

Existing Commission instructions on the "no advertising--no solicitation" provisions are hereby amplified as follows:

Any publication through any media, by a carrier, a carrier's agent, representative, affiliate, or any other person with color of authority to act in the carrier's behalf will be considered a violation of contract if it refers to an approved plan in such fashion that it touts the plan or contains any pitch, solicitation, invitation, or suggestion that any employee enroll in the plan or if it contains any comparison of one plan with another or any indication that one plan is in any way superior to another.

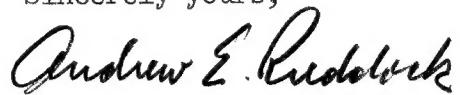
This clarification should preclude any future occasion for hair splitting over the precise shade of meaning of the regulations, the contract provision, or the existing instructions. Commission procedures for enforcement, if enforcement becomes necessary, will be simple and are contained in paragraph 89.14 of the regulations: 1. The Commission will notify the offending carrier of intent to withdraw approval, and invite reply. 2. Upon the carrier's request, the Commission will hold a hearing. 3. The Commission will notify the carrier of its decision.

The primary purpose of this letter is to notify all carriers that the Commission intends to enforce the "no advertising--no solicitation" provisions uniformly and strictly. This message will require no policy change by most carriers. A few will be well advised to relay the import of the Commission's intention to all national, state, and local representatives.

-3-

As in the past, we stand ready to consult with any carrier prior to any publication, and in order to avoid any question as to whether material would violate Commission instructions, we again urge that use be made of this service.

Sincerely yours,



Andrew E. Ruddock
Director

Approved For Release 2009/08/20 : CIA-RDP87-00868R000100090044-9

UNITED STATES

CIVIL SERVICE COMMISSION

WASHINGTON 25, D. C.

OFFICIAL BUSINESS

POSTAGE AND FEES PAID
U. S. CIVIL SERVICE COMMISSION